

Education and Workforce Development Cabinet

Kentucky's jobless rate drops to 10.6 percent in November

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Editor's Note: Preliminary November and revised October labor market information are included in this release.

FRANKFORT, Ky. — Kentucky's seasonally adjusted preliminary unemployment rate declined .7 percentage point to 10.6 percent in November 2009 from a revised 11.3 percent in October 2009, according to the Office of Employment and Training (OET), an agency of the Kentucky Education and Workforce Development Cabinet. November 2009's jobless rate is 3.4 percentage points higher than the 7.2 percent rate recorded in November 2008.

"Kentucky's economy continued to show signs of stabilization in November 2009. However, individuals who have faced long-term unemployment dropping out of the labor force and a rise in the number of people working part-time for economic reasons contributed to the decline in the unemployment rate," said Dr. Justine Detzel, OET chief labor market analyst.

The U.S. seasonally adjusted jobless rate decreased from 10.2 percent in October 2009 to 10 percent in November 2009, according to the U.S. Department of Labor. This 10 percent rate is .6 percentage point below the 10.6 percent rate recorded in Kentucky in November 2009.

Unemployment statistics are based on estimates and are compiled to measure trends rather than actually to count people working.

Four of the 11 major nonfarm North American Industry Classification System (NAICS) job sectors reported an employment

increase in November 2009, while six decreased and one remained the same, according to OET. A decrease of 4,900 jobs in November 2009 brought Kentucky's nonfarm employment to a seasonally adjusted total of 1,758,800. Since November 2008, Kentucky's nonfarm employment has plummeted by 79,300.

"Since the start of the recession in December 2007, nonfarm employment in Kentucky has decreased by 113,600 positions. This marks the 21st month in a row of year-over-year employment decreases and the seventh largest year-over-year drop on records dating back to January 1990," Detzel said.

According to the seasonally adjusted employment data, Kentucky's leisure and hospitality sector expanded by 2,000 jobs in November 2009. Since November 2008, employment in the sector has grown by 2,100 positions. The leisure and hospitality sector includes arts, entertainment and recreation, accommodations and food services and drinking places industries.

"The employment gains in November 2009 were concentrated in accommodation and food services enterprises, reflecting a hotel, a beverage service business, and various restaurants opening," she said.

The professional and business services sector rose by 600 positions in November 2009. This area has lost 1,900 employees since November 2008. The professional and business services sector includes professional, scientific and technical services, management of companies and administrative and support and waste management, including temporary help agencies.

"November 2009 represents the fourth consecutive month of employment increases in professional and business services companies. The job gains are attributed to the professional, scientific and technical services industry, which is indicative of the opening of a computer establishment," Detzel said.

The government sector, which includes public education, public administration agencies and state-owned hospitals, increased by

200 jobs in November 2009. The sector has 2,800 fewer jobs compared to November 2008.

The information sector added 100 positions in November 2009. This segment, which includes firms involved in publishing, Internet activities, data processing, broadcasting and news syndication, has decreased by 600 positions since November 2008.

The mining and logging sector maintained steady employment in November 2009. The sector has added 400 workers since November 2008 because of hiring in the coal mining industry.

Kentucky's trade, transportation and utilities sector shrunk by 3,900 jobs in November 2009. This area includes retail and wholesale trade, transportation and warehousing businesses and utilities. It is the largest sector in Kentucky with 357,700 employees. Since November 2008, the number of jobs in this sector has plunged by 21,000.

"Consumers are curtailing non-essential purchases in an effort to make ends meet. As households retrench and rein in discretionary expenditures, transportation enterprises have been forced to cut back," Detzel said. "Furthermore, retail trade enterprises also suffered job losses in November 2009, reflecting store closings."

Kentucky's manufacturing sector lost 1,900 jobs in November 2009. Compared to November 2008, jobs in the sector plummeted by 31,400.

"Industrial employment has dropped in 17 of the last 18 months. While both the durable goods and non-durable goods subsectors have endured decreases in employment, job losses were concentrated in the durable goods subsector, reflecting layoffs at an automobile parts manufacturer, and the closing of another automobile parts producer," Detzel said.

The state's other services sector, which includes such establishments as repair and maintenance businesses, personal and laundry services, religious organizations and civic and professional organizations, decreased by 600 positions in November 2009. This

sector had 900 fewer jobs in November 2009 than in November 2008.

The construction sector declined by 600 positions in November 2009. Since November 2008, employment in the construction sector has fallen by 17,500 jobs.

"This marks the seventh consecutive month of declining employment in the construction sector, which is a sign of debility in specialty trade contractors and financial difficulties delaying commercial and public works construction projects," Detzel said.

The financial activities sector fell by 500 positions in November 2009. This segment, which includes businesses involved in finance, insurance, real estate and property leasing or rental, has fallen by 5,500 positions over the past 12 months.

The educational and health services sector dropped by 300 jobs in November 2009. The sector had 200 fewer workers in November 2009 than November 2008. This sector includes private and nonprofit establishments that provide either education and training or health care and social assistance to their clients.

The U.S. Bureau of Labor Statistics' monthly estimate of the number of employed Kentuckians for November 2009 was 1,845,641 on a seasonally adjusted basis. This figure is up 6,836 from the 1,838,805 employed in October 2009, but down 62,191 from the 1,907,832 employed in November 2008.

The monthly estimate of the number of unemployed Kentuckians for November 2009 was 218,674, down 14,712 from the 233,386 Kentuckians unemployed in October 2009, but up 70,923 from the 147,751 unemployed in November 2008.

The monthly estimate of the number of Kentuckians in the civilian labor force for November 2009 was 2,064,315. This figure is down 7,876 from the 2,072,191 recorded in October 2009, but up 8,732 from the 2,055,583 recorded in November 2008.

Civilian labor force statistics include non-military workers and unemployed Kentuckians who are actively seeking work. They do

not include unemployed Kentuckians who have not looked for employment within the past four weeks.

Kentucky's statewide unemployment rate and employment levels are seasonally adjusted. Employment statistics undergo sharp fluctuations due to seasonal events, such as weather changes, harvests, holidays and school openings and closings. Seasonal adjustments eliminate these influences and make it easier to observe statistical trends. However, because of the small sample size, county unemployment rates are not seasonally adjusted.

Learn more about the Office of Employment and Training at www.workforce.ky.gov.

A complementary experimental hours and earnings series is available at <http://www.bls.gov/sae/saeaepp.htm>.